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SUBJECT: SOUTH AFRICAN STATE OF THE NATION ADDRESS

Summary

¶1. (SBU) South African President Jacob Zuma, relying heavily on the legacy of former President Nelson Mandela (also known here by his clan name: "Madiba"), on February 11 gave his second State of the Nation address since assuming office last May. The South African leader came into the speech somewhat embattled because of his recent confession that he had fathered a child out of wedlock. Zuma's speech was short on specifics but he continued the African National Congress's (ANC) themes of addressing issues such as job creation, education, health, fighting crime, and rural development and land reform. Zuma did not go into great detail about foreign policy or one of the most controversial elements of domestic policy - the criminal justice system. The key theme of Zuma's address was the promise that his administration would "work faster, harder and smarter." How these goals would be achieved, however, left most in the crowd wondering. End Summary.

Zuma "Wraps Himself in the Cloak of Mandela"

¶2. (SBU) Zuma took great pains to associate himself with the legacy of former President Nelson Mandela (who was in the audience) on the day marking the 20th anniversary of the former prisoner's release. Zuma said, "Inspired by our icon Madiba, it is my honor to dedicate this 2010 State of the Nation Address, to all our heroes and heroines, sung and unsung, known and unknown." Zuma quoted Mandela's statements at length and made remarks to underscore reconciliation in South Africa. Zuma pushed for all South Africans to recommit themselves to reconciliation, national unity, non-racialism and building a better future together as South Africans.

¶3. (SBU) He praised former President P.W. Botha for taking small steps in the process to have Mandela released and acknowledged the roles played by the legal team following the infamous "Rivonia Trial" in which Mandela was sentenced to prison. Zuma also paid tribute to the roles played by Oliver Tambo and Inkatha Freedom Party President Mangosuthu Buthelezi. He also said, "In November this year, we will mark the 150th anniversary of the arrival of Indians in South Africa. It provides an opportunity to recognise the important contribution of the Indian community in the fields of labour, business, science, sports, religion, arts, culture and the achievement and consolidation of our democracy."

¶4. (SBU) The South African leader used his remarks about reconciliation to look forward, saying the hosting of the FIFA World Cup makes 2010 truly a year of action. He said, "The infrastructure, security and logistics arrangements are in place to ensure a successful tournament. As a nation we owe a debt of gratitude to the 2010 Local Organising Committee for their sterling effort." At this point, Zuma named the individuals of the committee, including Irvin Khoza, with whose daughter Zuma recently acknowledged fathering a daughter. His reference to Khoza drew laughs from the legislative floor. Zuma tied his remarks on the FIFA World Cup back to Mandela by saying, "President Mandela was

central in assisting the country to win the rights to host this great event. We therefore have to make the World Cup a huge success in his honor."

Zuma Says South Africa's Economy Improving, But Fragile

15. (SBU) Zuma addressed the state of the South African economy throughout his remarks. (Note: Some commentators and political analysts criticized him for not providing more specific details on what the government would do to address the economy, but other commentators argued that the lack of detail was because Finance Minister Pravin Gordhan intends to address specific programs in his budget speech next week. End Note.) The South African leader said economic indicators suggest South Africa is turning the corner on recovery. He added economic activity is rising in South Africa and labor statistics show the economy is now creating jobs rather than shedding them. He warned, however, that it is still too soon to be certain of the pace of recovery and that the government would not withdraw its support measures.

16. (SBU) Zuma noted the economy lost 900,000 jobs throughout the global recession, with many of the lost positions being filled by family breadwinners. Zuma announced two measures to help ease problems from the recession. First, he called for a "safety cushion" for the poor in the form of extended child support grants to children more than 14 years of age. He estimated these grants would provide for an additional two million children from poor households. Second, he said the Industrial Development Corporation would put aside several million dollars to help companies in

CAPE TOWN 00000029 002 OF 004

distress. He also said the government would help companies by introducing a "training lay-off scheme," which would allow workers the option of a period of training instead of retrenchment.

17. (SBU) Zuma discussed the work being done by the Public Works ministry. He said the government came close to meeting the goals set out by the Public Works ministry in the Expanded Public Works Program. The government reportedly created some 480,000 out of a target of 500,000 jobs - mainly in the fields of construction, home and community based care, and environmental projects. Zuma acknowledged the jobs are not jobs in the mainstream economy. He did note, however, that over the next three years, the government would spend millions of dollars on public infrastructure. He added that the government wants to maintain and expand its road network and ensure the rail network is reliable, competitive and better integrated with seaports. He said he has established an Inter-Ministerial Committee on Energy to develop a 20-year integrated resource plan that would ensure reliable power supply. The committee is set to look at the participation of independent power producers and at protecting the poor from rising electricity prices. Zuma promised the state electricity supplier, Eskom, would continue to build additional generation capacity and improve the maintenance of its power stations.

18. (SBU) Zuma said the government has established the Broad-Based Black Economic Empowerment Advisory Council, which will be chaired by the President, to ensure the promotion of an inclusive economy and to aid growth and development. He added his administration's most urgent focus of policy change is the creation of jobs for young people as unemployment rates for young people are substantially higher than the average. He promised that proposals would be tabled to subsidise the cost of hiring younger workers and to encourage firms to take on inexperienced staff. (Note: Democratic Alliance leader Helen Zille pointedly told reporters after the address that this idea "came straight out of her party's policies." End Note.) The South African leader said the government's newly launched National Youth Development Agency would work faster to establish its structures throughout the country so it can assist the administration to mainstream youth development programs within the government.

Education Remains Critical to South Africa's Goals

¶9. (SBU) Zuma said the administration placed education and skills development at the center of this government's policies. He said, "In our 2010 program, we want to improve the ability of our children to read, write and count in the foundation years. Unless we do this, we will not improve the quality of education." He said the government wants learners and teachers to be in school, in class, on time, learning and teaching for seven hours a day. He added, "We will assist teachers by providing detailed daily lesson plans. To students, we will provide easy-to-use workbooks in all 11 languages. From this year onwards, all grade 3, 6 and 9 students will write literacy and numeracy tests that are independently moderated." Zuma said his government's goal is to increase the pass rate for these tests from the current average of between 35-40 percent to at least 60 percent^q275,000 a year by 2014."

¶10. (SBU) The South African Government plans to increase the training of 16-25 year olds in continuing education programs. He said, "This will enable us to provide a second chance at education, for those who do not qualify for university." He promised that the government would work with higher education institutions to ensure eligible students obtain financial assistance through the National Student Financial Aid Scheme.

The Push for Better Health for All Will Continue

¶11. (SBU) Zuma said, "Another key outcome is to ensure a long and healthy life for all South Africans." He said his government would continue to improve our health care system. He added that this would include building and upgrading hospitals and clinics and further improving the working conditions of health care workers. He said, "We have partnered with the Development Bank of Southern Africa (DBSA) to improve the functionality of public hospitals and their district offices. We are also collaborating with the DBSA and the Industrial Development Corporation, in a Public-Private Partnership program to improve hospitals and provide finance for projects." He said the government must confront the fact that life expectancy at birth has dropped from 60 years in 1994 to just below 50 years today. He promised the government would make interventions to lower maternal mortality rates, reduce new HIV infections and effectively treat HIV and tuberculosis. Zuma vowed the government

CAPE TOWN 00000029 003 OF 004

would implement all the undertakings made on World Aids Day relating to new HIV prevention and treatment measures. He also stated, "We will also continue preparations for the establishment of a national health insurance system."

Zuma Mentions Crime, But Barely

¶12. (SBU) Zuma said his government is working hard to ensure that everyone in South Africa feels safe, and is safe. He promised that his administration would work to reduce serious and violent crimes and ensure the justice system works efficiently. He said, "We are implementing plans to increase the number of police men and women by 10% over the next three years. We have identified the fight against hijacking, business and house robberies, as well as contact crimes such as murder, rape, and assault, as top priorities." Beyond these remarks, however, Zuma did not address his government's plans to reduce violent crime. Business Day political analyst Wyndham Hartley said, "There was no mention of the much vaunted criminal justice system and no indication of progress made or possible changes."

Improved Service Delivery Remains a Priority

¶13. (SBU) After a year of numerous violent service delivery

protests, Zuma did not shy away from the fact the government must to do more to meet people's needs. He said, "Local government must work." He ordered that municipalities must improve the provision of housing, water, sanitation, electricity, waste management and roads.

He added that across the country a number of issues have already received attention (in part, he claimed, because of his newly launched presidential hotline). However, he warned, "There are no grievances that can justify violence and the destruction of property. We have directed law enforcement agencies to take a tougher stance on lawlessness in Balfour and other areas." He pointed out that in December 2009 the Cabinet approved a turnaround strategy for local government. He said, "This will ensure that local government has the correct management, administrative and technical skills." He promised the government is working to upgrade well-located informal settlements and provide proper service and land tenure to at least 500,000 households by 2014 and said his administration plans to set aside over 6 000 hectares of well-located public land for low income and affordable housing.

Zuma Promises a New Way of Monitoring Progress

¶14. (SBU) The South African President said the administration is building a performance-oriented state by improving planning as well as performance monitoring and evaluation. (Note: When Zuma made this remark, the cameras in the National Assembly flashed to Minister in the Presidency for Planning Trevor Manuel and Minister in the Presidency for Performance Monitoring and Evaluation Collins Chabane. End Note.) Zuma said the work of departments would be measured by outcomes developed by the Cabinet and through the newly established performance monitoring and evaluation system. He said the system "will outline what is to be done, how, by whom, within what time period and using what measurements and resources."

Other Areas Receive Only Brief References

¶15. (SBU) Zuma did not touch at length on other South African domestic and foreign priorities. He said more houses would be built to encourage rural development and agricultural development. He said South Africa would continue to pursue programs that would lead to a reduction in water wastage and would push for greater individual food production. He promised a decrease in communications costs - including reductions for broadband, cell phone, landline and public phone rates. He also said the government would continue to curb corruption. (Note: His lack of great attention to corruption in the speech is somewhat surprising as many commentators and political analysts expected it to be a main focus of his address. End Note.)

¶16. (SBU) On foreign policy, Zuma vowed to work with international partners - including the United States - toward a legally binding treaty on climate change. He said, "As South Africa we have voluntarily committed ourselves to specific emission reduction targets, and will continue working on our long term climate change mitigation strategy." He also said the government would intensify efforts to promote the interests of South Africa globally, support efforts to speed up the political and economic integration of the Southern Africa Development Community and promote intra-regional trade and investment. He noted that South Africa continues to play a leading role in continental efforts to strengthen the African

CAPE TOWN 00000029 004 OF 004

Union and its organs and to work for unity and promised that Pretoria would focus energy on revitalising the New Partnership for Africa's Development as a strategy for economic development on the continent.

Comment

¶17. (SBU) Zuma's address relied heavily on the legacy of Mandela to

give a speech that was short on specifics but carried forward the ANC's themes of addressing issues such as job creation, education, health, fighting crime, and rural development and land reform. In the short term, the speech deflected some of the negative attention Zuma has been receiving for his extra-marital affairs and reminded South Africans about their history of liberation. Over the longer term, it remains to be seen whether the government makes progress - or reveals details - on its domestic agenda or whether foreign policy will ever be as important under Zuma as it was under former President Thabo Mbeki.